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TOWN OF STONEWALL, MISSISSIPPI

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
AND ACCOUNTANTS' COMPILATION REPORT**

For the fiscal year ended September 30, 2019

TOWN OF STONEWALL, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the Board of Alderman
Town of Stonewall, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Board of Alderman and Mayor of the Town of Stonewall, Mississippi on cash, ad valorem taxes, state receipts, disbursements, fines and forfeitures, court assessments and the municipal compliance questionnaire of the Town of Stonewall, Mississippi as of September 30, 2019, and for the year then ended, as required by the Office of the State Auditor under the provisions of Section 21-35-31, Miss. Code Ann. (1972). The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Stonewall, Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BankPlus	General Fund	\$ 123,720
BankPlus	General Fund	97,696
BankPlus	General Fund	22,504
BankPlus	General Fund	4,425
Total General Fund		<u>\$ 248,345</u>
BankPlus	Grant Fund	<u>\$ 23,163</u>
BankPlus	Fire Protection Fund	<u>\$ 11,752</u>
BankPlus	Economic Development Fund	<u>\$ 27,236</u>
BankPlus	Water & Sewer Fund	<u>\$ 52,930</u>
BankPlus	Sanitation Fund	<u>\$ 71,058</u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for completion with increase limitations of Section 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The levies were found to be properly approved by the board of alderman.

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to have not exceeded the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. We obtained a statement of payments from the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Balance Per General Ledger</u>
Sales Tax Allocation	General Fund	\$ 66,284
Municipal Aid	General Fund	543
Gasoline Taxes	General Fund	3,332
Homestead Exemption	General Fund	18,695
FEMA Grant	General Fund	30,467
JAG Grant	General Fund	3,302
MEMA Grant	General Fund	9,607
Fire Protection	Fire Protection Fund	6,422
CDBG Grant	Water & Sewer Fund	40,409
		<u>\$ 179,061</u>

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items: 25

Total Dollar Value of Sample: \$37,421

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned statutes.

5. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipality to be in agreement with the requirements of the above-mentioned sections.

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements. We also examined surety bonds and determined all officials were appropriately bonded for the fiscal year.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on cash, ad valorem taxes, state receipts, disbursements, fines and forfeitures, court assessments and the municipal compliance questionnaire. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Town of Stonewall, Mississippi and the Office of the State Auditor of Mississippi and is not intended to be and should not be used by anyone other than the specified parties.


Stephen D. Myrick, C.P.A., L.L.C.

September 18, 2020
Quitman, Mississippi

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ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members of the Board of Alderman
Town of Stonewall, Mississippi

Management is responsible for the accompanying Combined Statement of Cash Receipts and Disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2019, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Combined Statement of Cash Receipts and Disbursements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statement is prepared in accordance with the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained in the supplementary section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have also issued a report dated September 18, 2020, on the results of our agreed-upon procedures.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

September 18, 2020
Quitman, Mississippi

TOWN OF STONEWALL, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities			Business-type Activities		
	Major Fund			Major Funds		
	General Fund	Other Governmental Funds	Total	Water and Sewer Fund	Sanitation Fund	Total
Revenue Receipts						
Taxes:						
General Property Taxes	\$ 235,212	\$ -	\$ 235,212	\$ -	\$ -	\$ -
Other Taxes	2,918	-	2,918	-	-	-
Licenses and Permits:						
Privilege Licenses	2,497	-	2,497	-	-	-
Franchise Charges - Utilities	47,121	-	47,121	-	-	-
Intergovernmental Receipts:						
Federal Receipts:						
FEMA Grant	30,467	-	30,467	-	-	-
JAG Grant	3,302	-	3,302	-	-	-
CDBG Grant	-	-	-	40,409	-	40,409
State-shared Receipts:						
Municipal Aid	543	-	543	-	-	-
Sales Tax	66,284	-	66,284	-	-	-
Gasoline Tax	3,332	-	3,332	-	-	-
Homestead Exemption	18,695	-	18,695	-	-	-
MEMA Grant	9,607	-	9,607	-	-	-
Local-shared Receipts:						
Pro Rata County Road Tax	24,684	-	24,684	-	-	-
Other County Ad Valorem	651	-	651	-	-	-
Fire Protection Allocation	-	6,422	6,422	-	-	-
Fire Runs	7,007	-	7,007	-	-	-
Charges for Services:						
Water Utility Service Fees	-	-	-	239,423	-	239,423
Sanitation	-	-	-	-	62,943	62,943
Fines and Forfeitures	14,545	-	14,545	-	-	-
Interest Earnings	4,592	915	5,507	940	1,040	1,980
Rental of Facilities	575	15,000	15,575	-	-	-
Cemetery Plot Sales	1,850	-	1,850	-	-	-
Miscellaneous Receipts	11,043	-	11,043	-	-	-
Total Receipts	484,925	22,337	507,262	280,772	63,983	344,755
Disbursements						
General Government (Executive & Financial)	142,660	-	142,660	-	-	-
Public Safety:						
Police	142,415	-	142,415	-	-	-
Fire	6,817	-	6,817	-	-	-
Highways and Streets	107,397	-	107,397	-	-	-
Health and Welfare	892	-	892	-	-	-
Culture and Recreation:						
Parks	8,078	-	8,078	-	-	-
Libraries	8,841	-	8,841	-	-	-
Economic Development	-	504	504	-	-	-
Enterprises:						
Water and Sewer Utility	-	-	-	228,809	-	228,809
Sanitation Utility	-	-	-	-	63,330	63,330
Redemption of Principal	7,833	-	7,833	28,852	-	28,852
Debt Service Interest	1,614	-	1,614	5,476	-	5,476
Capital Outlay	32,208	9,670	41,878	40,534	-	40,534
Total Disbursements	458,755	10,174	468,929	303,671	63,330	367,001
Excess (Deficiency) of Receipts Over Disbursements	26,170	12,163	38,333	(22,899)	653	(22,246)
Other Financing Sources (Uses)						
Proceeds from issuance of capital lease	26,982	-	26,982	-	-	-
Transfers In	-	-	-	47,583	20,000	67,583
Transfers Out	(47,583)	-	(47,583)	(20,000)	-	(20,000)
Total Other Financing Sources (Uses)	(20,601)	-	(20,601)	27,583	20,000	47,583
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Sources (Uses)	5,569	12,163	17,732	4,684	20,653	25,337
Cash Basis Fund Balance - Beginning of Year	242,776	49,988	292,764	48,246	50,405	98,651
Cash Basis Fund Balance - End of Year	\$ 248,345	\$ 62,151	\$ 310,496	\$ 52,930	\$ 71,058	\$ 123,988

See Accountants' Compilation Report.

SUPPLEMENTARY INFORMATION

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
SEPTEMBER 30, 2019

Name	Position	Company	Bond
Jerry L Rich	Mayor	Western Surety Company/Old Republic Surety Company	\$ 50,000
Glynis D Banes	Town Clerk	Western Surety Company/Old Republic Surety Company	\$ 50,000
Michael Street	Chief of Police	Western Surety Company/Old Republic Surety Company	\$ 50,000
Benjamin M Fleming	Alderman	Western Surety Company/Old Republic Surety Company	\$ 50,000
Gregory W Mangum	Alderman	Western Surety Company	\$ 50,000
Fred A Frey, Jr./ Danielle R Rathbun	Alderman	Western Surety Company/Old Republic Surety Company	\$ 50,000
Ferry H Adams	Alderman	Western Surety Company	\$ 50,000
Ricky Carpenter	Alderman	Western Surety Company	\$ 50,000

**TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Definition and Purpose	Balance Outstanding 10/1/2018	Transactions During Fiscal Year		Balance Outstanding 9/30/2019
		Issued	Redeemed	
Capital Leases:				
2013 Chevrolet Tahoe	\$ 589	\$ -	\$ 589	\$ -
2016 Dodge Charger	11,431	-	5,106	6,325
2019 Dodge Charger	-	26,982	2,138	24,844
Other Loan:				
550 Water Meters	139,972	-	28,852	111,120
Total	<u>\$ 151,992</u>	<u>\$ 26,982</u>	<u>\$ 36,685</u>	<u>\$ 142,289</u>

**TOWN OF STONEWALL, MISSISSIPPI
SOLID WASTE MANAGEMENT SERVICES SCHEDULE
FULL COST ACCOUNTING
SUMMARY OF COSTS REPORT
SEPTEMBER 30, 2019**

Revenue:

Garbage Fees	\$ 62,943	
Total Revenue		62,943

Expenses:

Wages	27,784	
Payroll Taxes	2,108	
Employee Benefits	5,513	
Contract Labor	149	
Insurance	11,791	
Fuel	2,121	
Landfill Fee	11,860	
Repairs	1,880	
Supplies	124	
Total Expenses		63,330

Excess (Deficiency) of Revenue Over Expenses	\$ (387)
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Number of Users	476
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Average Annual Cost Per User	\$ (1)
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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Members of the Board of Alderman
Town of Stonewall, Mississippi

We have compiled the Combined Statement of Cash Receipts and Disbursements of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2019, and performed certain other agreed-upon procedures as required by the Office of the State Auditor of Mississippi and have issued our report dated September 18, 2020.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our compilation and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the statement of cash receipts and disbursements and agreed-upon procedures disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management and the Office of the State Auditor of Mississippi and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Stephen D. Myrick, C.P.A., L.L.C.

September 18, 2020
Quitman, Mississippi